



MCC Operational Requirements and Milestones for Social Inclusion and Gender Integration

Introduction

This document lays out the operational requirements for social inclusion and gender integration in all stages of program development and implementation in accordance with MCC's [Gender Policy](#) and other [MCC guidance documents](#). These operational requirements reflect MCC's commitment to gender equality as a development objective supporting economic growth and poverty reduction. They also reflect MCC's mandate in the Millennium Challenge Act to provide assistance "in a manner that promotes economic growth and the elimination of extreme poverty," using social analysis to ensure the inclusion of the poor and other disadvantaged groups, inform compact activities, and ultimately enhance project impacts.

The document addresses both MCC and partner country responsibilities, as well as the way in which MCC and the partner country should work together to ensure effective and timely integration of social and gender analyses and programming. These operational requirements reflect the concept of gender and social inclusion integration, where responsibility and accountability for achieving MCC's corporate goals is shared across the institutions (MCC and MCA). The operational requirements are divided into five sections that provide a thematic and sequential framework for understanding the procedures and milestones. Each section includes a brief description of the issues and associated requirements based on our experience with our country partners.

I. Early Analysis

Gender and Social Inclusion (GSI) staff¹ are part of the Constraints Analysis (CA) team, along with representatives from the Economic Analysis (EA) and Finance, Investment and Trade (FIT) practice groups.

A key lesson learned from early compacts is that expert and experienced personnel with specific technical capacity for the social and gender assessment function is required very early and throughout program development, as well as at the beginning and throughout program implementation. Consequently, MCC requires that our country partners also have a technical expert in social and poverty analysis, with gender expertise, on their Core Team during the early analysis phase. With sufficient technical capacity, both

MCC and the country's Core Team are prepared to conduct the social and gender analysis in the CA, which broadly analyzes social inequalities that constrain economic growth and poverty reduction. It is also important to note that MCC's Gender Policy includes specific language on consultations.

MCA and MCC teams later conduct a problem analysis to identify possible root causes and effects of the constraints, followed by the identification of possible solutions. To inform this problem analysis, GSI experts on both the MCC and MCA teams collect additional data and participate in the analysis and decision-making on what pathways the compact should follow to both create growth and reduce poverty. More specifically, based on data collection and analysis to date, GSI contributes to the development and refinement of the problem analysis and program logic, and contributes equally as all other sector leads to the development of the Concept Notes.

Operational Requirements

1. MCC assigns a Gender and Social Inclusion (GSI) staff once a new country is selected.
2. The partner country assigns a senior gender and social inclusion specialist with expertise in poverty, social inclusion, and gender analysis as part of the Core Team.
3. GSI staff works closely with economists and FIT staff on collecting and sharing of information, data, and preliminary analyses.
4. Core Team GSI expert contributes to development of stakeholder consultation plan in accordance with MCC's Gender Policy and international best practice.
5. The CA summary memo presented to the IMC for approval should include specific information related to the key gender and social inequalities and how these impact the constraints to growth.
6. MCC and Core Team GSI technical experts ensure that the ongoing social and gender analysis informs the root cause and problem analysis and the selection of solution pathways and sectors for development into Concept Notes.
7. MCC and Core Team GSI technical experts participate in developing and refining the program logic. This includes identifying from a social and gender perspective how particular interventions, activities, or approaches may be needed to ensure that the logic and its assumptions hold.
8. The Core Team GSI technical expert, with technical input from MCC GSI, integrates findings and recommendations from social and gender analysis findings into the Concept Notes.
9. The MCC GSI staff provides technical input into the Opportunity Memo, in which the MCC Country Team identifies concepts recommended for further development.

II. Initial Project Selection and Design

Following MCC's assessment of the Concept Notes, the Core Team, collaboratively with MCC, will develop more detailed Project Proposals. Leading up to the development of the Project Proposals, MCC and Core Team GSI will conduct deeper analysis of selected solution pathways (from Concept Notes) and sectors to inform the development of proposed projects. As a key member of the Core Team, the GSI expert is expected to contribute equally as all other sector leads to the development of Project Proposals. gender integration and social inclusion are adequately addressed in the Project Proposals. This stage is also the culmination of the early social and gender analysis that starts with the CA, and a report can be produced at this stage, consolidating the findings on social inclusion and gender equality conducted since

the start of compact development.

Operational Requirements

10. MCC and Core Team GSI conduct deeper analysis of selected solution pathways and sectors to inform the development of the Project Proposals and ongoing project development. This analysis results in recommendations for approaches and interventions to address the relevant social and gender inequalities identified in the social and gender analysis to date, reduce risks of unequal participation or project outcomes posed by the political, social, or economic dynamics identified in that analysis; and promote opportunities to enhance benefits for women, the poor, and other vulnerable groups through policy and institutional reforms and other project activities.
11. Core Team GSI is a key contributor to the development of Project Proposals and works closely with the sector experts to ensure that the proposed interventions and approaches are responsive to the social and gender analyses to date.
12. MCC GSI staff reviews the social inclusion and gender responsiveness of the Project Proposals and provides technical comments. With the MCC GSI staff, the MCC CTL communicates the comments and action items to the Core Team and ensures that adequate responses and suggestions for revision are incorporated into the Project Proposal Assessment Memo.
13. MCC and Core Team GSI continue data collection and analysis to further project development and consolidates information for inclusion in GSI reports and/or in MCC and Core Team integrated analyses and project designs.

III. Due Diligence and Compact Preparation

Once MCC's Investment Management Committee reviews the Concept Papers and approves 609(g) funding, the Core Team jointly with MCC will begin detailed project preparation, including due diligence and 609(g) studies such as feasibility studies, environment and social assessments, and other analysis needed to fully develop proposed projects and understand their risks as well as potential. MCC and Core Team GSI experts will participate in the development of integrated or, when appropriate, separate Terms of Reference (TORs) for due diligence and 609(g) activities. GSI experts will make sure that there are sufficient GSI-related resources during due diligence, in 609(g) studies, and in compact budgets. GSI due diligence is typically integrated with that of other sectors, including Environment and Social Performance (ESP), Energy, Transport, Water, Ag/Land, HCD, FIT, and others, and includes additional independent studies to generate sufficient level of detail for compact design.

As projects are developed, MCC GSI also contributes to the development of Beneficiary Analysis (BA) and the Economic Rate of Return (ERR) analysis, and to further refinement of the program logic. MCC and Core Team Monitoring and Evaluation (M&E) and GSI staff jointly ensure that social and gender objectives and activities are integrated into M&E work. MCC GSI participates in finalizing the compact and Investment Memorandum (IM), and ensures that GSI objectives and plans are incorporated into project and activity designs and descriptions, and budgets.

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14. MCC GSI and CTL ensure GSI needs are met in 609(g) requests and budgets, and tasks in 609g TORs.
15. MCC GSI ensures that it has adequate resources in due diligence budgets, and adequate tasks in GSI-specific and multi-sectoral due diligence TORs.
16. MCC GSI staff clears on RFPs/bidding documents, contracts, and contract deliverables where there are GSI-related tasks.
17. During due diligence, MCC and Core Team GSI conducts social and gender assessments of relevant projects and activities. These can be independent and/or integrated into multi-sector TORs and deliverables for feasibility, Environmental and Social Impact Assessment (ESIA), 609(g), C-TIP assessments, and other sector or GSI-specific design and due diligence contracts.
18. MCC ensures that social and gender considerations are incorporated into the program logic, ERRs, and the BA.
19. MCC and Core Team GSI staff work with M&E staff to ensure that social and gender objectives and activities are reflected as relevant in all M&E work developed during compact development, including design of baseline studies; Annex III of the Compact; performance monitoring plans; and any impact and performance evaluation concept development (including reviewing for inclusion of sex- and poverty-disaggregated data and social and gender-relevant indicators, where appropriate).
20. Gender and social inclusion designs and activities are integrated in the Investment Memorandum (IM), GSI has clearance on final memo. MCC GSI and CTL ensure that GSI activities have the required resources allocated in the compact project and administration budgets in the IM. GSI works with the CTL to include relevant CPs in the IM, describes how GSI risks and opportunities are integrated into the projects, and assesses compliance against GSI-relevant investment criteria.
21. participates in finalizing the Compact. MCC GSI staff reviews Compact language, and CTL ensures that Compact language and associated annexes reflect social and gender provisions in the IM and that all relevant social and gender-related conditions are incorporated, including the SGIP as a CP for second disbursement.
22. Compact budget and Compact Implementation Funding (CIF) budget include resources for GSI integrated and distinct social and gender activities, as outlined in the IM, and GSI-related administration and training costs. Where applicable, GSI functions are integrated into budgets for other functional areas such as ESP and M&E.

IV. Preparing for Implementation

Preparations for compact implementation signal another important capacity requirement: the hiring of a senior gender and social inclusion specialist with expertise in poverty, vulnerability, and gender analysis in a full-time director-level, key staff position within the MCA formed by the partner country. During this period, work begins on Implementing Entity Agreements and on developing the Social and Gender Integration Plan (SGIP). MCC and MCA GSI staff continue to build social and gender integration directly into additional studies and design documents, Environmental and Social Management Plans (ESMPs), Resettlement Action Plans (RAPs), and M&E documents. These actions are identified in the SGIP, harmonized with project work plans, and reviewed annually. Engagement in monitoring and evaluation is one dimension of accountability, a key factor in successful gender integration.

Operational Requirements

23. With MCC's "no objection," MCA hires a full-time senior gender and social inclusion specialist with expertise in poverty, vulnerability, and gender analysis at the director level as key personnel.
24. MCA GSI ensures that there are appropriate social/gender requirements and technical expertise in implementing entity agreements.
25. MCA develops a Social and Gender Integration Plan (SGIP).²
 - a. The SGIP is to be approved by MCC prior to second disbursement in compact implementation, which is a "condition precedent" to second disbursement.
 - b. The SGIP is incorporated into program and project work plans and monitored regularly by MCA GSI.
26. Social and gender assessments, and tasks to fulfill project activity objectives, are further integrated into relevant procurement documents, TORs, Statements of Work (SOWs), and deliverables for feasibility and design contracts, studies, ESIA's, RAPs, independent and supervisory management and engineering contracts, and sustainability agreements.
27. GSI and M&E staff work together to ensure social and gender integration in monitoring and evaluation plans (including reviewing for inclusion of sex- and income- and other socio-economic disaggregated data, social, gender and poverty specific indicators, and carrying out special studies where appropriate), and in TORs for M&E firms. MCC GSI reviews, provides feedback, and clears on the M&E Plan.
28. MCC and MCA ensure that there are sufficient funds in implementation agreements and budgets to adequately address social and gender requirements as identified in the SGIP.

V. Gender and Social Inclusion During Implementation

During compact implementation, GSI staff in both the MCC and MCAs are fully integrated with sector leads and other team members in the management, monitoring and oversight of compact projects. The SGIP is the primary tool for the MCA to manage its commitments on social inclusion and gender integration, and, as such, its approval by MCC is a significant milestone and overall compact requirement. A final GSI assessment led by MCA GSI near compact closure becomes a tool for developing an GSI sustainability plan.

Operational Requirements

29. MCC and MCA GSI staff participate in the Implementation Workshop and ensure that it explicitly addresses GSI integration across the compact.
30. MCA GSI provides on-going input on, and management of, project activities, working with sector leads, ESP, M&E, and other specialists in the MCA. MCC GSI does the same through its oversight role.
31. MCA GSI leads (in the case of GSI-specific activities) or participates in (for integrated contracts) the development of TORs for procurement of and management of compact contracts, with support from MCC GSI.
 - a. MCA ensures that a social/gender expert is assigned to all Technical Evaluation Panels (TEPs) where there are social and gender tasks in the procurement, and MCC GSI clears on the Technical Evaluation Reports (TERs).
 - b. GSI (MCA and/or MCC as per compact-specific clearance agreements) clears on final

TORs, contracts, and deliverables where GSI-related tasks are included.

32. MCA GSI staff ensures social and gender activity needs are included in quarterly disbursement requests.
33. MCA GSI staff ensure that training related to gender and social inclusion is conducted for all MCA staff and implementing partners. MCC and MCA GSI staff monitor capacity needs of implementing partners throughout the compact and provides support to address gaps in ability to implement social and gender requirements.
34. MCC GSI staff report on progress of integration of gender and social inclusion, as well as risks in each quarterly performance review.
35. MCC GSI staff reviews performance monitoring data with M&E colleagues quarterly, or at relevant intervals, to ensure collection and analyses of disaggregated data. Where appropriate, MCC GSI staff takes action to address performance gaps.
36. Social and gender topics are incorporated where appropriate into baseline surveys, impact evaluations, and other evaluations or special studies. MCC GSI is a member of the Evaluation Management Committee.
37. GSI and M&E work together to prioritize special studies (final selection to be approved by M&E) with particular social and gender relevance, and where selected, to design, commission and oversee these studies.
38. MCA staff prepare annual SGIP Reviews and Updates for MCC review and clearance.
39. MCA GSI staff provide inputs into ongoing consultation processes to ensure these are inclusive and enable productive dialogue with beneficiaries and other relevant stakeholders.
40. In preparation for closure, MCA prepares a final social and gender assessment summarizing lessons, challenges, and accomplishments in the Compact, and ensures broad dissemination of findings among relevant stakeholders. MCC GSI clears on this assessment.
41. Social and gender objectives are integrated into relevant sections of the Compact Closure Guidance.
42. MCA GSI contributes to MCA sustainability action plan, addressing social dimensions of sustainability, and identifying key needs, opportunities, and entry points for continuing social and gender integration among implementing entities and successor agencies.

Endnotes

1. Previously known as “Social and Gender Assessment (SGA)”
2. See complete guidance on the SGIP.